

GRDC

**Grains
Research &
Development
Corporation**



Australian Government

**Grains Research and
Development Corporation**

16 October 2014

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

**Inquiry into the Rural Research and Development Legislation Amendment
Bill 2014**

This letter is a response to the Senate Rural and Regional Affairs and Transport Legislation Committee Inquiry into the Rural Research and Development Legislation Amendment Bill 2014 with respect to specific issues affecting the grain growers and their levy. This letter is in addition to the response from the Council of Rural Research Development Corporation on behalf of all RDC's.

The GRDC is a statutory corporation and resides in the Australian Government's Agriculture Portfolio. The GRDC exists to drive the discovery, development and delivery of world-class innovation to enhance the profitability, productivity, and sustainability of Australian grain growers and benefit the grains industry and the wider community.

The GRDC invests in research, development and extension (RD&E) and related activities across a portfolio spanning temperate and tropical cereals, coarse grains, pulses and oilseeds. This involves coordinating and funding activities; monitoring, evaluating and reporting on their impact; and facilitating the dissemination, adoption and commercialisation of their results.

Under the proposed Amendment, the Australian government's membership subscription to the International Grains Council (IGC) would be deducted from the Government's contribution to grains R, D and E (i.e. to GRDC).

The IGC is an intergovernmental forum and consists of all parties to the Grains Trade Convention. Currently, the Australian government is a member of the Council and is represented by the Department of Agriculture.

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Your GRDC working with you

The Grains Trade Convention 1995 (GTC) is the latest in a long series of multilateral cooperation instruments, in operation since 1949. The GTC applies to trade in wheat, coarse grains, (maize (corn), barley, sorghum and other grains), rice and oilseeds and their products. It seeks to further international cooperation in grains trade; to promote expansion, openness and fairness in the grains sector; to contribute to grain market stability and to enhance world food security. These objectives are sought by improving market transparency through information-sharing, analysis and consultation on grain market and policy developments.

The Convention also establishes the IGC as an intergovernmental forum for cooperation in grains trade matters. It holds two regular sessions each year, usually in June and December. Its functions are to oversee the implementation of the GTC; to discuss current and prospective world grain market developments; and to monitor changes in national grain policies and their market implications. It may develop and sponsor grains-related projects in member countries for financing by the Common Fund for Commodities.

Currently Australia's contribution to the Council is approximately \$170,000 per annum. This commitment is ongoing.

The effect of this Amendment is a small but significant reduction in the Australian government's contribution to grains R, D and E. This deviation from the agreed funding arrangements could be viewed by industry as an undesirable precedent and a reduction in the government's commitment to grains R, D and E.

Thank you for this opportunity to comment on the proposed Amendments.

Yours sincerely

John Harvey
Managing Director